

# FY 2006-07 BUDGET

## BUDGET SECTION SUMMARY

Section Title:

OCCIDENTAL COUNTY SANITATION DISTRICT

### A. Program Description

This budget finances operation, maintenance, and administration of a collection system, a treatment plant, and disposal facilities which serve the Occidental area.

### B. Financial Summary

Section	GROSS EXPENDITURES			NET COST/USE OF FUND BALANCE		
	FY 05-06 Adopted	FY 06-07 Requested	Percent Change	FY 05-06 Adopted	FY 06-07 Requested	Percent Change
Operations	\$301,855	\$338,673	12.20%	\$33,023	\$48,068	45.56%
Bonds #2	242	195	(19.42%)	(1,068)	(1,115)	4.40%
Construction	4,000,000	1,876,202	(53.09%)	3,999,000	1,074,602	(73.13%)
<b>TOTAL:</b>	<b>\$4,302,097</b>	<b>\$2,215,070</b>	<b>(48.51%)</b>	<b>\$4,030,955</b>	<b>\$1,121,555</b>	<b>(72.18%)</b>

No staffing is allocated to this index.

### D. Workload Summary

Workload Indicator	FY 04-05 Actual	FY 05-06 Budget Estimate	FY 05-06 Revised Estimate	FY 06-07 Projected	Change from FY 05-06 Budget Estimate
Total ESDs	263	266	266	266	0.00%
Total APNs	98	100	100	100	0.00%

### E. Summary of Issues and Significant Changes

The requested rate per ESD for FY 06-07 annual service charges is \$1,116, representing a 7.0% increase from FY 05-06. Annual sewer service charge revenue, adjusted for the anticipated number of ESDs and an estimated delinquency factor, is projected to increase from the FY 05-06 budget. This revenue change is due to the rate increase.

The Occidental County Sanitation District (Occidental CSD) treatment plant first became operational in 1950 and was upgraded in 1970 and 1975. The plant is designed to treat an average daily dry weather flow of up to 50,000 gallons per day to secondary treatment standards. Each year, between October 1 and May 14, treated wastewater from the Occidental CSD is discharged into Dutch Bill Creek. During the balance of the year, treated wastewater is used for irrigation.

***The Occidental County Sanitation District is facing very serious financial and operational difficulties.*** Operating revenues and the District's fund balance is inadequate to fully support required maintenance, and facility improvement costs.

During FY 97-98, the Occidental CSD was faced with a Civil Lawsuit under the Clean Water Act and Administrative Civil Liability (Order No. 97-75) was officially adopted by the NCRWQCB in August of 1997 as a result of violations. Increased requirements for sampling and chemical usage, as well as substantial legal fees for multiple lawsuits, have impacted the Occidental CSD's operational expenses.

In accordance with Order No. 97-75, an environmental analysis was completed and the Occidental County Sanitation District Wastewater Treatment and Disposal Upgrade Project Final Environmental Impact Report (Occidental CSD EIR) was certified in February of 2000. This work was financed by an interest free loan for \$100,000 from the County of Sonoma's General Fund in FY 98-99. The preferred alternative identified in the Occidental CSD EIR was secondary pretreatment and subsurface disposal through a conventional leach field. The preferred alternative was found to be technically infeasible by the NCRWQCB and therefore did not represent a viable long-term solution.

Cease and Desist Order No. 97-74, Time Schedule Order No. 97-75 and Administrative Civil Liability Complaint Order No. 97-126 established deadlines for certain tasks associated with a long-term solution. These deadlines included a requirement for completion of the long-term solution by September 1, 2001. At the March 22, 2001 meeting of the NCRWQCB, the Agency, on behalf of the Occidental CSD, requested an extension on remaining deadlines in order to allow the Occidental CSD to participate with the community of Camp Meeker on prospective projects to address their wastewater treatment needs.

Elected officials from the Camp Meeker Recreation and Park District (Camp Meeker RPD) and the Occidental Community Services District both committed to work together towards construction and operation of a locally-controlled wastewater treatment and disposal system.

The NCRWQCB subsequently issued Order R1-2001-0047 and R1-2001-0048 extending the remaining deadlines in Order 97-74 and 97-75. The Camp Meeker RPD issued a Draft Environmental Impact Report (EIR) for the wastewater project in October 2001. The preferred project consisted of a collection system for Camp Meeker, rebuilding the collection system in the Occidental CSD, upgrading the Occidental CSD treatment plant, and constructing a new effluent storage reservoir. In March 2003, the NCRWQCB issued Orders Nos. R1-2003-0020 and R1-2003-0021, requiring the completion of the proposed project in four phases, and specifying fines should interim or final deadlines be missed. The last interim compliance date, the deadline to award the bid for the construction of the wastewater treatment plant upgrades, was postponed from December 31, 2004 until October 1, 2005, by orders R1-2004-0102 and R1-2004-0103. The project was to be constructed by June 30, 2008, in compliance with the compliance orders issued in 2003. This project was estimated to cost on the order of \$15,000,000.

Due to financial infeasibility, Occidental CSD determined that the preferred project was not viable. In 2005, Compliance Order No. R1-2005-086 was issued in order to postpone the deadlines for completion of a compliance project. The new deadline for project completion is June 2010.

Significant amounts of state and federal funding were required for this project to be constructed, in addition to increased rates. However, based on the 2000 census data, Camp Meeker income level increased significantly and can no longer qualify for low-income grants. Based on this new information, the District has determined that it cannot afford to upgrade and operate its wastewater treatment plant.

Estimated FY 06-07 revenues do not adequately provide the funding necessary for adequate operation and maintenance at this district because of the small rate base. In the current year, and in recently completed years, the Occidental CSD has had insufficient funds to cover on-going operational expenses. Charges have been transferred to the Agency's General Fund and have not been recovered from the Occidental CSD.

**F. Summary of Reduction Options**

No reduction options are proposed.

**G. Attachments**

- Summary of Revenues and Expenditures
- Character Justification
- Statement of Special Fund Activity

# FY 2006-07 BUDGET

## SUMMARY OF REVENUES AND EXPENDITURES

Section Title: OCCIDENTAL CSD - OPERATIONS  
 Section/Index No: 651109

Sub-Object No. and Title	Adopted 2005-06	Requested 2006-07	Difference	Percent Change
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### REVENUES:

#### TAXES

1001 Flat Charges - CY	\$237,960	\$268,761	\$30,801	12.94%
1061 Flat Charges - PY	500	500	0	0.00%
1120 Penalties / Costs on Taxes	100	100	0	0.00%
<b>Subtotal Taxes</b>	<b>\$238,560</b>	<b>\$269,361</b>	<b>\$30,801</b>	<b>12.91%</b>

#### USE OF MONEY

1700 Interest on Pooled Cash	\$25	\$40	\$15	60.00%
<b>Subtotal Use of Money</b>	<b>\$25</b>	<b>\$40</b>	<b>\$15</b>	<b>60.00%</b>

#### CHARGES FOR SERVICES

3400 Sanitation Services	\$30,247	\$21,204	(\$9,043)	(29.90%)
<b>Subtotal Charges for Services</b>	<b>\$30,247</b>	<b>\$21,204</b>	<b>(\$9,043)</b>	<b>(29.90%)</b>

#### Residual Equity Transfer

4880 Ret-Between Entities-BOS	\$0	\$0	\$0	N/A
<b>Subtotal Residual Equity Transfer</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

<b>TOTAL REVENUES</b>	<b>\$268,832</b>	<b>\$290,605</b>	<b>\$21,773</b>	<b>8.10%</b>
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### EXPENDITURES:

#### SERVICES AND SUPPLIES

6040 Communications	\$1,000	\$1,000	\$0	0.00%
6180 Maintenance - Bldgs / Impr	15,000	8,000	(7,000)	(46.67%)
6262 Lab Supplies	500	500	0	0.00%
6522 District Services	170,000	206,000	36,000	21.18%
6573 Administration Costs	2,000	2,000	0	0.00%
6610 Legal Services	10,000	8,000	(2,000)	(20.00%)
6630 Audit / Accounting Services	3,355	2,173	(1,182)	(35.23%)
7212 Chemicals	30,000	35,000	5,000	16.67%
7217 State Permits / Fees	8,000	8,000	0	0.00%
7320 Utilities	25,000	18,000	(7,000)	(28.00%)
<b>Subtotal Services and Supplies</b>	<b>\$264,855</b>	<b>\$288,673</b>	<b>\$23,818</b>	<b>8.99%</b>

Sub-Object No. and Title	Adopted 2005-06	Requested 2006-07	Difference	Percent Change
<b><u>OTHER CHARGES</u></b>				
7920 Interest	\$0	\$0	\$0	N/A
7930 Interest - LT Debt	0	0	0	N/A
7980 Depreciation	35,000	48,000	13,000	37.14%
<b><i>Subtotal Other Charges</i></b>	<b>\$35,000</b>	<b>\$48,000</b>	<b>\$13,000</b>	<b>37.14%</b>
<b><u>FIXED ASSETS</u></b>				
8510 Buildings / Improvements	\$0	\$0	\$0	N/A
<b><i>Subtotal Fixed Assets</i></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b><u>OTHER FINANCING USES</u></b>				
8625 OT - W/in Special Dist - BOS	\$0	\$0	\$0	N/A
<b><i>Subtotal Other Financing Uses</i></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b><u>APPROPRIATIONS FOR CONT</u></b>				
9000 Approp for Contingencies	\$2,000	\$2,000	\$0	0.00%
<b><i>Subtotal Approp for Contingencies</i></b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$0</b>	<b>0.00%</b>
<b><u>ADMINISTRATIVE CONTROL ACCOUNT</u></b>				
9200 Ent - Principal	\$250,000	\$0	(\$250,000)	(100.00%)
9209 Ent - Principal Clearing	(250,000)	0	250,000	(100.00%)
<b><i>Subtotal Administrative Control</i></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>
<b>TOTAL EXPENDITURES</b>	<b>\$301,855</b>	<b>\$338,673</b>	<b>\$36,818</b>	<b>12.20%</b>
<b>TOTAL NET COST</b> <i>(Expenditures Minus Revenues)</i>	<b>\$33,023</b>	<b>\$48,068</b>	<b>\$15,045</b>	<b>45.56%</b>

# FY 2006-07 BUDGET

## CHARACTER JUSTIFICATION

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Occidental CSD - Operations

**Character Title:** Taxes

**Character No.:** 651109-10

### 1001 Flat Charges - CY

Flat charge revenue from annual service charges is expected to increase from the adopted FY 05-06 budget. The rate will increase 7.0% from \$1,043 to \$1,116.

ESDs times annual rate:	247 x \$1,116	\$275,652
Less Estimated Delinquency Factor:	2.5%	(6,891)
		<hr/> \$268,761

(See SubObject 3400 for Total ESDs)

### 1061 Flat Charges - PY

This item records the estimated delinquent amount of prior years sewer service charges.

### 1120 Penalties / Costs on Taxes

This item records penalties paid on delinquent sewer service charges.

**Character Title:** Use of Money

**Character No.:** 651109-17

### 1700 Interest on Pooled Cash

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$1,000
Projected Interest Rate	4.00%
Projected/Planned Interest on Pooled Cash	<hr/> \$40

**Character Title:** Charges for Services

**Character No.:** 651109-30

### 3400 Sanitation Services

This account records annual sewer service charges for entities that are invoiced, rather than collected as flat charges on the tax roll, and for new hook-ups as they occur during the year. The Sanitation Rate Ordinance requires that charges be collected at the time permits are issued. The properties are then added to the tax roll master listing and collected through sub-object 1001, Flat Charges, in the following year.

Based on projected FY 06-07 ESDs, the District will experience an increase in revenue from invoiced entities. The budgeted revenue reflects an increase in the annual sewer service charge from \$1,043 to \$1,116.

ESDs x Annual Charge	19 x \$1,116	=	\$21,204
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**6040 Communications**

This account records expenses paid by the District for outside communication and wireless services.

**6180 Maintenance - Bldgs / Impr**

This account records the cost of parts and materials required to maintain the treatment plant and collection system. The District is budgeting only a nominal amount in FY 06-07 due to a lack of funds to finance any new maintenance projects beyond essential repairs.

**6262 Laboratory Supplies**

This account records the cost of lab supplies required for testing and monitoring wastewater.

**6522 District Services**

This account records the cost of labor and overhead associated with operation and maintenance of the District's facilities and equipment, as well as other related service and supply type items. The increase in the requested budget more accurately reflects expenses in this account.

**6573 Administration Costs**

This account represents the 1% administration fee assessed by the County for processing collection of flat charges on the tax roll.

**6610 Legal Services**

This item is requested to provide funds for the estimated cost of legal services to be provided by County Counsel, or outside legal services, as required. Due to the uncertainty of continuing ACL related issues, the amount required in this account is extremely difficult to predict.

**6630 Audit / Accounting Services**

Audit/Accounting Services covers the cost of the annual audit and accounting services provided by the Auditor-Controller's Office.

**7212 Chemicals**

This account records the cost of chemicals required for operation of the treatment plant. The requested amount is considered necessary to meet the discharge requirements of the District's NPDES permit, as required by the State Water Quality Control Board, as well as to meet requirements imposed by the ACL (including the use of sodium bisulfite and caustic soda).

**7217 State Permits / Fees**

This account records the cost of District permits related to NPDES, as mandated by the Regional Water Quality Control Board.

**7320 Utilities**

This account records the cost of utilities such as gas, electricity, and water.

**7930 Interest - LT Debt**

The loan with South Park CSD was paid off in FY 04-05. No interest is due.

**7980 Depreciation**

Generally Accepted Accounting Principles require that depreciation be expensed each year.

**Character Title:** Fixed Assets

**Character No.:** 651109-85

**8510 Buildings / Improvements**

No expenditures are planned in this account for the forthcoming year due to lack of funds.

**Character Title:** Other Financing Uses

**Character No.:** 651109-86

**8625 OT - W/in Special Dist - BOS**

This account reflects the transfer of cash from the Operations Fund to the Construction Fund to finance the Capital Replacement Program. Due to the lack of available cash within the Operations Fund, no transfer is planned for FY 06-07.

**Character Title:** Appropriations for Contingencies

**Character No.:** 651109-90

**9000 Appropriations for Contingencies**

This account is normally used to set aside funding for unanticipated expenditures or revenue shortfalls.

**Character Title:** Administrative Control Account

**Character No.:** 651109-92

**9200 Ent - Principal**

The loan from SCWA has been forgiven; therefore, no principal payment will be due.

**9209 Ent - Principal Clearing**

This is the clearing account for sub-object 9200, Ent - Principal.



**FY 2006-07 BUDGET**  
**STATEMENT OF SPECIAL FUND ACTIVITY**

**Department:** Sonoma County Water Agency - Sanitation  
**Section:** Occidental CSD - Operations  
**Index No.:** 651109

DESCRIPTION OF FUND ACTIVITY	Actual FY 04-05	Estimated FY 05-06	Requested FY 06-07
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings Available for Budgeting (See Detailed Components Below)</b>	<b>\$55,061</b>	<b>\$30,971</b>	<b>\$43,917</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	253,166	369,993	290,605
Expenditures - (Decrease) retained earnings	(306,410)	(402,593)	(338,673)
<b>Net Surplus or Deficit - Inc/(Dec) to retained earnings</b>	<b>(53,244)</b>	<b>(32,600)</b>	<b>(48,068)</b>
<b>Adjustments to Reserves/Encumbrances:</b>			
7980 Depreciation	32,997	45,546	48,000
9200 Ent - Principal Payments	(4,623)	-	-
Change in Other Current Liabilities	4,623	-	-
Adjustments - Contributed Capital	-	-	-
Post Audit Adjustment Expenditures	(3,843)	-	-
<b>Net Adjustment - Increase/(Decrease) to Retained Earnings</b>	<b>29,154</b>	<b>45,546</b>	<b>48,000</b>
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings Available for Budgeting</b>	<b>\$30,971</b>	<b>\$43,917</b>	<b>\$43,849</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year (Difference between Beginning and Ending Balance)</b>	<b>(\$24,090)</b>	<b>\$12,946</b>	<b>(\$68)</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b><u>7/1/04</u></b>	<b><u>7/1/05</u></b>	
Cash	\$60,522	\$32,575	
Other Receivables	465	2,440	
Accounts Payable	(150)	(3,843)	
Due to Other Funds	-	-	
Other Current Liabilities	(4,623)	0	
Vouchers Payable	(1,153)	(201)	
<b>Total Beginning Retained Earnings</b>	<b>\$55,061</b>	<b>\$30,971</b>	

**FY 2006-07 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Section Title:** OCCIDENTAL CSD - BONDS #2  
**Section/Index No:** 651224

Sub-Object No. and Title	Adopted 2005-06	Requested 2006-07	Difference	Percent Change
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**REVENUES:**

**TAXES**

1000 Prop Taxes - CY Secured	\$1,310	\$1,310	\$0	0.00%
1020 Prop Taxes - CY Supplemental	0	0	0	N/A
1040 Prop Taxes - CY Unsecured	0	0	0	N/A
1060 Prop Taxes - PY Secured	0	0	0	N/A
<b>Subtotal Taxes</b>	<b>\$1,310</b>	<b>\$1,310</b>	<b>\$0</b>	<b>0.00%</b>

**USE OF MONEY**

1700 Interest on Pooled Cash	\$0	\$0	\$0	N/A
<b>Subtotal Use of Money</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

<b>TOTAL REVENUES</b>	<b>\$1,310</b>	<b>\$1,310</b>	<b>\$0</b>	<b>0.00%</b>
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**EXPENDITURES:**

**SERVICES AND SUPPLIES**

6635 Fiscal Agent Fees	\$52	\$52	\$0	0.00%
<b>Subtotal Services and Supplies</b>	<b>\$52</b>	<b>\$52</b>	<b>\$0</b>	<b>0.00%</b>

**OTHER CHARGES**

7920 Interest	\$190	\$143	(\$47)	(24.74%)
<b>Subtotal Other Charges</b>	<b>\$190</b>	<b>\$143</b>	<b>(\$47)</b>	<b>(24.74%)</b>

**ADMINISTRATIVE CONTROL ACCOUNT**

9200 Ent - Principal	\$1,000	\$1,000	\$0	0.00%
9209 Ent - Principal Clearing	(1,000)	(1,000)	0	0.00%
<b>Subtotal Administrative Control</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

<b>TOTAL EXPENDITURES</b>	<b>\$242</b>	<b>\$195</b>	<b>(\$47)</b>	<b>(19.42%)</b>
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<b>TOTAL NET COST</b> (Expenditures Minus Revenues)	<b>(\$1,068)</b>	<b>(\$1,115)</b>	<b>(\$47)</b>	<b>4.40%</b>
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**FY 2006-07 BUDGET**  
**CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Occidental CSD - Bonds #2

**Character Title:** Taxes

**Character No.:** 651224-10

**1000 Prop Taxes - CY Secured**

The Auditor-Controller establishes a tax rate sufficient to accumulate tax revenues necessary to make bond payments of interest and principal. The bonds were passed to fund construction of sewage facilities.

**1020 Prop Taxes - CY Supplemental**

**1040 Prop Taxes - CY Unsecured**

**1060 Prop Taxes - PY Secured**

No amount is recommended since little to no revenue has been received in these accounts in recent years.

**Note:**

The FY 06-07 bond payment amount (principal and interest) is \$1,143. A total budget of \$52 is requested to cover Fiscal Agent Fees; therefore, total expenses are not expected to exceed \$1,195. To avoid major fluctuations in the tax rate from year to year, the tax amount budgeted and/or collected each year may not correspond exactly to the annual bond payment (P&I). Over or under collection in any single year (when compared to the bond payment for that year) merely increases or decreases the fund balance retained in this index. The Auditor's long term tax rate calculations are designed to ensure that debt service obligations are met, while retaining an appropriate level of fund balance, and minimizing unnecessary tax rate fluctuations.

**Character Title:** Use of Money

**Character No.:** 651224-17

**1700 Interest on Pooled Cash**

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$0
Projected Interest Rate	<u>4.00%</u>
Projected/Planned Interest on Pooled Cash	\$0

**Character Title:** Services and Supplies

**Character No.:** 651224-60

**6635 Fiscal Agent Fees**

This account records fees collected by the County Treasurer for acting as the fiscal agent.

**Character Title:** Other Charges

**Character No.:** 651224-75

**7920 Interest**

This account reflects the interest expense on the outstanding general obligation bonds. The interest rate was established at 5% on \$4,000 of the bonds and 4¼% on \$28,000 of the bonds. Payments began January 1, 1970 and will continue semi-annually until January 1, 2009. The FY 06-07 request is based on the bond amortization schedule prepared at the time the bonds were sold.

**9200 Ent - Principal**

This account reflects the principal expense for general obligation bonds that were issued in 1969 to finance the local share of a wastewater collection system. Payments on the bonds will continue until January 1, 2009. The FY 06-07 request is based on the bond amortization schedule prepared at the time the bonds were sold.

The following reflects the bond principal payment history to date:

Original Amount of the General Obligation Bond Issue:	\$32,000
Total FY 77-78 through FY 04-05 Principal Payments:	(28,000)
FY 05-06 Principal Payment:	<u>(1,000)</u>
Outstanding Bond Amount	\$3,000

**9209 Ent - Principal Clearing**

This is the clearing account for sub-object 9200, Ent - Principal.

# FY 2006-07 BUDGET

## STATEMENT OF SPECIAL FUND ACTIVITY

Department: Sonoma County Water Agency - Sanitation

Section: Occidental CSD - Bonds #2

Index No.: 651224

DESCRIPTION OF FUND ACTIVITY	Actual FY 04-05	Estimated FY 05-06	Requested FY 06-07
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$3,659</b>	<b>\$2,648</b>	<b>\$2,845</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	252	1,439	1,310
Expenditures - (Decrease) retained earnings	(263)	(242)	(195)
<b>Net Surplus or Deficit - Increase/(Decrease) to fund balance</b>	<b>(11)</b>	<b>1,197</b>	<b>1,115</b>
<b>Adjustments to Reserves/Encumbrances:</b>			
9200 Enterprise Principal	(1,000)	(1,000)	(1,000)
<b>Net Adjustment - Increase/(Decrease) to Retained Earnings</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$2,648</b>	<b>\$2,845</b>	<b>\$2,960</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>(\$1,011)</b>	<b>\$197</b>	<b>\$115</b>

<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b><u>7/1/04</u></b>	<b><u>7/1/05</u></b>
Cash	\$4,659	\$3,648
Matured Principal Payable	(1,000)	(1,000)
<b>Total Beginning Retained Earnings</b>	<b>\$3,659</b>	<b>\$2,648</b>

**FY 2006-07 BUDGET**  
**SUMMARY OF REVENUES AND EXPENDITURES**

**Section Title:** OCCIDENTAL CSD - CONSTRUCTION  
**Section/Index No:** 651505

Sub-Object No. and Title	Adopted 2005-06	Requested 2006-07	Difference	Percent Change
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**REVENUES:**

**USE OF MONEY**

1700 Interest on Pooled Cash	\$1,000	\$1,600	\$600	60.00%
<b>Subtotal Use of Money</b>	<b>\$1,000</b>	<b>\$1,600</b>	<b>\$600</b>	<b>60.00%</b>

**MISCELLANEOUS REVENUE**

4304 Federal Grants	\$0	\$800,000	\$800,000	N/A
<b>Subtotal Miscellaneous Revenue</b>	<b>\$0</b>	<b>\$800,000</b>	<b>\$800,000</b>	<b>N/A</b>

**ADMINISTRATIVE CONTROL ACCOUNT**

4200 ENT - LTD Proceeds	\$4,000,000	\$1,200,000	(\$2,800,000)	(70.00%)
4209 ENT - LTD Proceeds - Clearing	(4,000,000)	(1,200,000)	2,800,000	(70.00%)
4229 Contributed Cap - Clearing	0	0	0	N/A
<b>Subtotal Admin. Control Account</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

**OTHER FINANCING SOURCES**

4625 OT - W/in Special Dist - BOS	\$0	\$0	\$0	N/A
<b>Subtotal Other Financing Sources</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

<b>TOTAL REVENUES</b>	<b>\$1,000</b>	<b>\$801,600</b>	<b>\$800,600</b>	<b>80060.00%</b>
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**EXPENDITURES:**

**OTHER CHARGES**

7920 Interest	\$0	\$0	\$0	N/A
<b>Subtotal Other Charges</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>N/A</b>

**FIXED ASSETS**

8510 Building / Improvement	\$4,000,000	\$1,876,202	(\$2,123,798)	(53.09%)
9142 Capital Replacement Program	0	0	0	N/A
<b>Subtotal Fixed Assets</b>	<b>\$4,000,000</b>	<b>\$1,876,202</b>	<b>(\$2,123,798)</b>	<b>(53.09%)</b>

<b>TOTAL EXPENDITURES</b>	<b>\$4,000,000</b>	<b>\$1,876,202</b>	<b>(\$2,123,798)</b>	<b>(53.09%)</b>
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<b>TOTAL NET COST</b> (Expenditures Minus Revenues)	<b>\$3,999,000</b>	<b>\$1,074,602</b>	<b>(\$2,924,398)</b>	<b>(73.13%)</b>
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**FY 2006-07 BUDGET**  
**CHARACTER JUSTIFICATION**

**Department - Division:** Sonoma County Water Agency - Sanitation

**Section Title:** Occidental CSD - Construction

**Character Title:** Use of Money

**Character No.:** 651505-17

**1700 Interest on Pooled Cash**

This account records interest on pooled cash held for the District by the County Treasurer's office. Estimated interest is projected based on cash on hand and current interest rate trends.

Estimated Average Cash Balance	\$40,000
Projected Interest Rate	<u>4.00%</u>
Projected/Planned Interest on Pooled Cash	\$1,600

**Character Title:** Miscellaneous Revenue

**Character No.:** 651505-40

**4304 Federal Grants**

This records the receipt of funds from an anticipated USDA Grant for the collection system replacement.

**Character Title:** Administrative Control Account

**Character No.:** 651505-42

**4200 ENT-LTD Proceeds**

This account will record the receipt of proceeds from a proposed \$1.2 million loan from USDA to finance collection system replacement.

**4209 ENT-LTD Proceeds - Clearing**

This is the clearing account for sub-object 4200.

**Character Title:** Other Financing Sources

**Character No.:** 651505-46

**4625 OT - W/in Special Dist - BOS**

There will be no transfer of cash from the Operation Fund to the Construction Fund to finance the Capital Replacement Program for FY 06-07.

**Character Title:** Fixed Assets

**Character No.:** 651505-85

**8510 Buildings / Improvements**

This account is used for expenses associated with facility upgrades or expansion of the wastewater treatment or collection system. Recent expenses in this account were the result of preliminary engineering work and environmental studies required as a result of an Administrative Civil Liability issued by the North Coast Regional Water Quality Control Board. The budget requested for FY 06-07 represents the estimated cost of upgrading the treatment plant to AWT standards. The planned FY 06-07 activity will be funded through an anticipated loan and grant from USDA.

**9142 Capital Replacement Program**

This account normally reflects expenses associated with replacement of treatment facilities and the sewer collection system. Long-term replacement of existing facilities that are worn out and in disrepair helps to bring the facilities up to current sanitation standards and extends the life of the sanitation infrastructure; however, due to funding shortfalls, no capital replacement projects are planned for the forthcoming year.

# FY 2006-07 BUDGET

## STATEMENT OF SPECIAL FUND ACTIVITY

**Department:** Sonoma County Water Agency - Sanitation

**Section:** Occidental CSD - Construction

**Index No.:** 651505

DESCRIPTION OF FUND ACTIVITY	Actual FY 04-05	Estimated FY 05-06	Requested FY 06-07
<b>Undesignated/Unreserved <u>BEGINNING</u> Retained Earnings</b>			
<b>Available for Budgeting</b> (See Detailed Components Below)	<b>\$43,509</b>	<b>\$48,994</b>	<b>\$5,442</b>
<b>Annual Revenues and Expenditures:</b>			
Revenues - Increase retained earnings	5,569	5,444	801,600
Expenditures - (Decrease) retained earnings	454	(318,996)	(1,876,202)
<b>Net Surplus or Deficit</b> - Inc/(Dec) to retained earnings	<u>6,023</u>	<u>(313,552)</u>	<u>(1,074,602)</u>
<b>Adjustments to Reserves/Encumbrances:</b>			
4210 Advances	-	-	-
4200 Long Term Debt Proceeds	-	-	1,200,000
Capitalized Interest	(538)	-	-
Net Change in Encumbrances	-	-	-
Interim Financing-Agency's General Fund	-	270,000	-
PY Encumbrance	-	-	-
<b>Net Adjustment</b> - Increase/(Decrease) to Retained Earnings	<u>(538)</u>	<u>270,000</u>	<u>1,200,000</u>
<b>Undesignated/Unreserved <u>ENDING</u> Retained Earnings</b>			
<b>Available for Budgeting</b>	<b>\$48,994</b>	<b>\$5,442</b>	<b>\$130,840</b>
<b>Total Increase/(Decrease) in Retained Earnings for Fiscal Year</b> (Difference between Beginning and Ending Balance)	<b>\$5,485</b>	<b>(\$43,552)</b>	<b>\$125,398</b>
<b><u>Retained Earnings Components at Beginning of FY</u></b>	<b><u>7/1/04</u></b>	<b><u>7/1/05</u></b>	
Cash	\$43,509	\$48,994	
Vouchers Payable	-	-	
Encumbrances	-	-	
<b>Total Beginning Retained Earnings</b>	<b>\$43,509</b>	<b>\$48,994</b>	